ABSTRACT OF THE INVENTION

A public telephone and Internet access system that comprises Personal Digital Assistants (PDA) that are connected to an ethernet or other Local Area Network by a network cradle, and a number of ethernet telephones connected to the same Local Area Network. The PDAs store encrypted information about their owners, including the owner's name, their phone forwarding preferences, access permissions to the network, and charging/billing information. When a PDA is attached to a network cradle, this information is automatically transferred to the gatekeeper, which is a server that performs management tasks for the ethernet phone network. These tasks include deciding whether or not a user is allowed to sign up and use a public ethernet phone, maintaining billing and charging information, and forwarding incoming calls for a given user to the ethernet phone at the user's current location. This invention provides a secure method for the PDA and the gatekeeper to exchange authentication information.